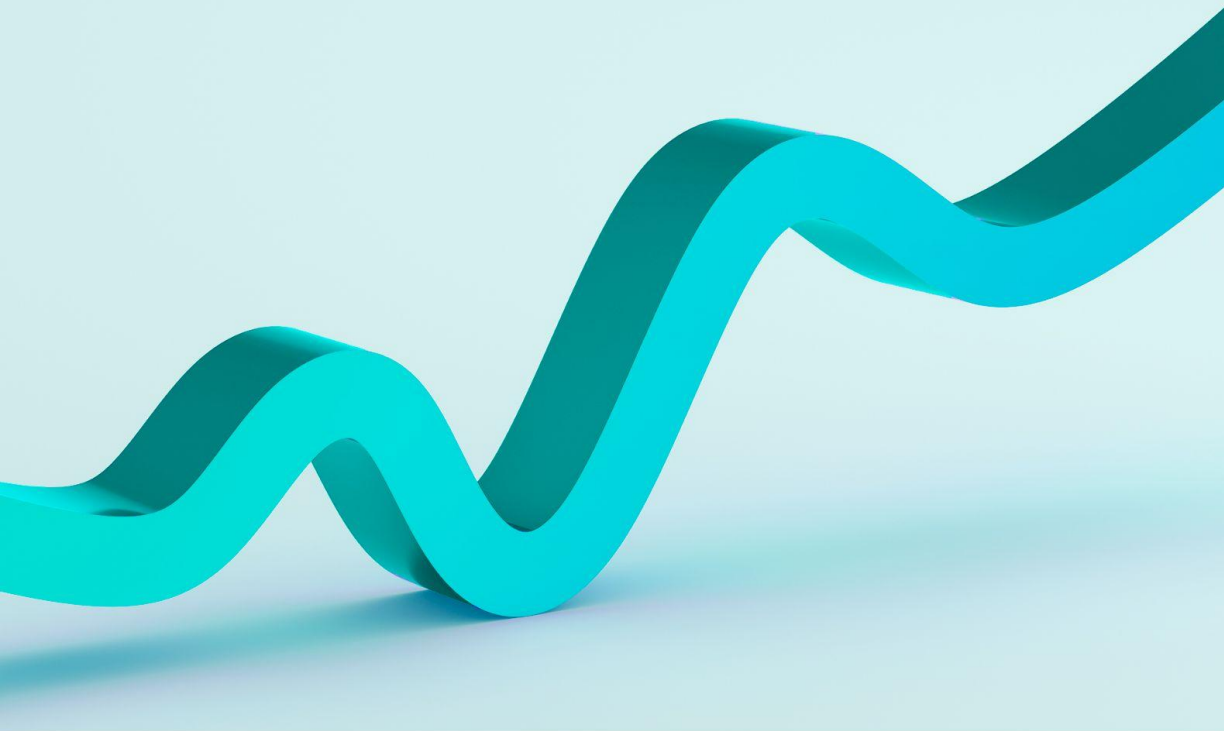




FIVE BANKING CUSTOMER EXPERIENCE **TRENDS FOR 2022**

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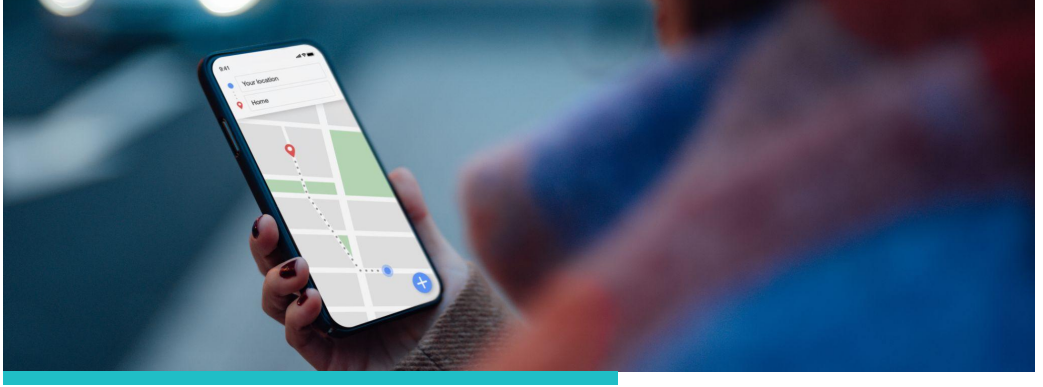
Customer experience will become even more critical for banks in 2022, but those that can figure out how to provide **the right mix of human and digital service will differentiate themselves** from traditional banks and from digital-only banks that provide little if any personal service.

By David Ritter



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1.

Banking When and Where You Want It

One Saturday morning, I noticed a long line outside a branch of a national bank, one that shall remain nameless. I began to notice that this was a regular occurrence at this location. Which got me thinking. Why isn't the bank addressing this issue? And many other banks must be struggling with the same staffing problem, made worse by the Covid-19 pandemic.

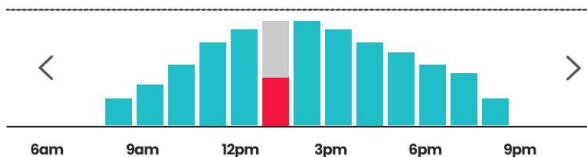
As a result, **this year we expect more banks to leverage technology to provide service when and where customers want it.** Banks must better utilize transaction data to forecast branch traffic and staff accordingly, though Covid-19 admittedly makes historical comparisons less reliable. Banks can also help customers avoid lines at branches by adding functionality to their branch locator, applications similar to that of the 'Popular Times' feature of Google Maps. Even when there is no line, no customer should stroll into a bank hoping that the appropriate banker is available and able to devote the time necessary to serve them.

Major banks offer digital appointment scheduling, though they need to improve the promotion and visibility of the feature across all channels. Banks that don't offer digital scheduling must do so or risk losing customers because of it. Banks must also integrate scheduling within each relevant product journey. For example, if I click on a bank's mortgage link, I should be able to complete an application and upload the required documents. However, if I want to speak to a mortgage expert about my options first, I should be presented with options for how and when I can interact. And if I want my questions answered right then, a live expert should be available on-demand via chat (not a chatbot!) or phone call, during and perhaps outside of regular banking hours. Even my cable-TV provider — never known for its customer service — has live chat.

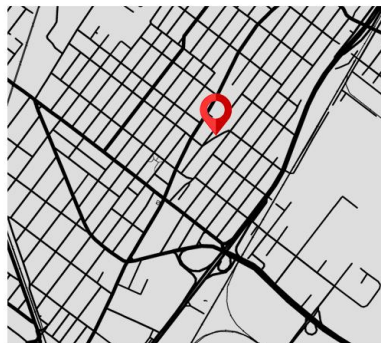
If the on-demand wait is too long (a problem that should be addressed) or I don't have time to devote right then, I must still be able to schedule a meeting in my preferred medium – chat, phone, video chat, or in-person. Upcoming appointments should be confirmed via text, similar to what many doctors do. Think about how simple it is to use the OpenTable mobile app to make, change, or cancel a restaurant reservation. Banks should be able to provide the same customer experience.

Popular Times | **Friday** ▾

LIVE *Less busy than usual*



Source: Google Maps



2. Branches Make a Comeback

In 2022, we expect more bank customers to visit branches seeking help and advice.

The pandemic, and now surging inflation, has created new financial challenges for consumers and small businesses – challenges that require a human touch to address. But, banks must be ready to serve these customers in ways that may not have existed before the pandemic, such as those discussed in the previous section.



During the pandemic, digital account opening has surged, with the megabanks and digital-only banks grabbing market share from smaller banks due to superior mobile capabilities. But, smaller regional banks have an advantage over their giant and digital-only rivals – the ability to provide personal service. Banks should match branch bankers with applications and accounts originated via digital channels. Bankers could follow up on applications not completed and start a relationship with new customers. Account applications should be fully digital though. No one likes to be approved for an account, only to be told they have to sign paperwork at a branch. In-branch application kiosks are also appropriate for high-traffic branches, but the customer should be able to start an application on their own device and complete it in a branch, and vice versa.



3.

Digital Financial Management Meets Personal Service

In 2022, we expect more banks to partner with personal financial management (PFM) fintechs and data aggregators, such as Plaid, to offer basic account aggregation and savings goal tools.

Bankers would encourage new customers to utilize these tools, or walk them through setup, and follow up to discover potential opportunities. However, banks should be selective in their approach because not every customer will need or want these services from their bank. Customers in their 20's and 30's are likely the most suitable target audience.

The internet and mobile apps are packed with financial education and management tools, but consumers need guidance in understanding their financial situation and savings goals – for retirement, a down payment on their first house, and more.

Encore Capital Group asked 1,000 US adults in an August 2021 [survey](#) to rank the areas where they needed the most help to achieve financial freedom. Developing a financial plan was ranked highest, chosen by **50%** of respondents. Defining clear financial goals also ranked near the top, cited by **39%** of respondents. Banks have done a poor job teaching consumers and small businesses how to manage their finances, leaving the door open for upstarts such as Chime and Acorns to fill that void.



Can you give us a hand?

Consumers say these are the areas where they need the most help to achieve economic freedom

Developing a financial plan

50%

Improving credit score

47%

Finding more manageable way to resolve debt

41%

Defining clear financial goals

39%

Using budgeting services/tools

30%

Source: Encore Capital Group (survey of 1,000 U.S. adults Aug. 26-29)



4.

New Digital Tools for Bankers, Too

Adding new digital tools to improve customer interactions is a helpful first step, but unless customer-facing employees are better trained and coached, banks may fall short of their goals to differentiate with personalized services.

The largest banks are starting to use virtual reality (VR) and augmented reality (AR) technology to improve training and coaching, perhaps also resulting in lower branch-employee turnover. **We expect other banks to follow**, particularly as the cost drops with more widespread adoption.

Bank of America announced in October that it will launch virtual reality (VR) training by the end of 2022 for its employees in nearly 4,300 branches nationwide. Simulations enabled by VR headsets will be used to practice a wide range of skills such as strengthening and deepening relationships with clients, navigating difficult conversations, and listening and responding with empathy. Through real-time analytics embedded in this technology, managers can also identify skill gaps and provide follow-up coaching and guidance to teammates to further improve performance. Following a successful pilot with 400 employees, 97% of the participants felt more comfortable performing their tasks after going through the simulations.



5. Better, More-Targeted Services & Experiences

This year, we expect that more regional banks will start to develop or acquire banking businesses that focus on a specific customer segment, whether it be serving a specific industry or a specific demographic. The result should be an improved experience for customers in those segments.

Acquired in 2019, KeyBank's Laurel Road offers services designed to address the personal and business banking needs of medical professionals nationwide, not just in its retail markets in the midwest.

A range of fintech start-ups has emerged in recent years to serve specific market segments, while larger banks have largely retained their mass-market approaches, perhaps because they believe these markets are too small or not growing fast enough to warrant investment. We believe this will start to change in 2022.

HOW CI&T CAN HELP

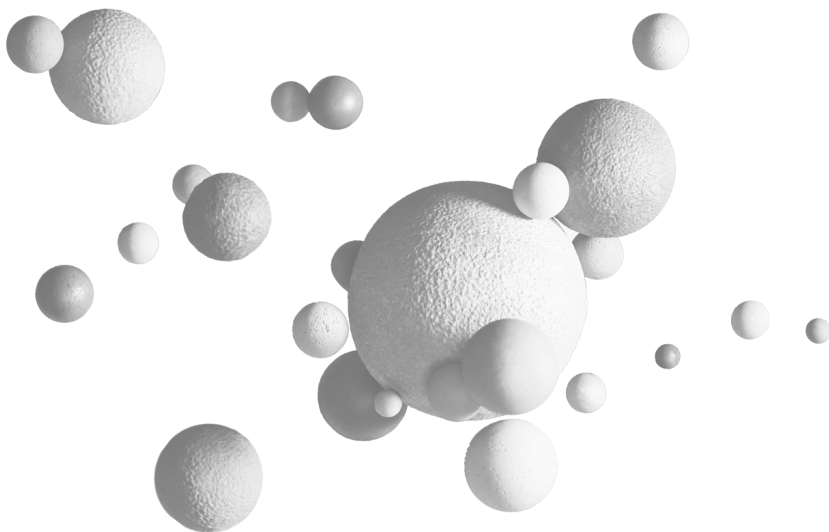
ANALYZE, THEN ACT.

At CI&T, we're firm believers in creating solutions at the speed of market demand. Theories are helpful, but only when regularly tested and refined.

Most organizations spend too much time in 'analysis paralysis.' This is particularly true for larger businesses, where organizational bias leans toward managing risk and uncertainty.

But as COVID has shown, sudden cultural and market shifts can shake even the most stable institutions. Monitoring the pulse of demand in the market is about more than passively collecting data. It's about having a conversation, testing ideas, and taking strategic risks.

To succeed, banks need a disciplined framework to identify opportunities, develop solutions, assess risk, and most importantly, monitor results.



Identify gaps in your service offering



How does your product or service improve the lives of others?

It's surprising how many technology platforms fail to meet this simple test.

So what's the best approach?

It helps to break down the value proposition into its component parts and question each element independently. Since customer needs are dynamic and in constant flux, this should be done regularly.



Each part of the value proposition represents a strategic decision. Getting honest answers takes patience and persistence. But understanding needs is essential to identifying critical problems and proposing credible solutions. With this method, we can pressure-test the value proposition, identify necessary components, and make needed changes.

Interpersonal interactions are often overlooked. Digital technology is effective at enhancing and improving interactions. Its role is not to replace people.



Consider this retail example: a customer service representative is able to focus their time and attention on the customer when technology can anticipate customer needs and provide representative, timely, and accurate information. Technology enhances the interpersonal interaction between a customer and customer service representative.

Creating value in this way requires a comprehensive understanding of the value proposition and intentional interventions to increase value. Banks have an opportunity to adopt this retail model.

CI&T Needs Framework

Example: Educational resource center for bookkeeping.

Offer self-education resources and more advanced tools.

Self-serve

Offer tools that reduce the friction of accomplishing a task.

Example: Device that scans multiple checks.

Example: Ongoing "Concierge-like" banker services.

Facilitate a long-term personal relationship.

In-person

Optimize the interpersonal interaction.

Example: On-demand banker available for key interactions and moments.

High trust

Low trust

CI&T has developed a 'Go-to-Market in 90 Days' framework.

The framework employs a structured and creative approach to developing market-tested solutions. This method enables clients to maneuver quickly and align necessary resources and expertise. Solutions are right-sized to the demand of the market and the needs of the organization.

ABOUT CI&T

CI&T is a global digital specialist focusing on digital transformation for some of the world's largest financial services providers such as Itau, Bradesco, Chase, Wells Fargo, Charles Schwab and BlackRock. With operations across North America, Latin America, Europe, and the Asia-Pacific region, CI&T has a proven track record with complex end-to-end solutions for customer experience, digital products, cloud management, data and analytics.

[For more information click here](#)

MEET THE FINANCIAL SERVICE



David Ritter, Financial Services Strategist at CI&T

David's forward-looking strategy and research content offer solutions to financial services firms' most vexing challenges. Drawing on more than 20 years of experience as a banking and fintech analyst on Wall Street, David also helps drive CI&T's go-to-market strategy for financial services.



Leo Mattiazzi, Executive Vice President of Global Innovation

As Partner and EVP for Innovation, Leonardo helps CI&T and its customers evolve capabilities and organizational structures needed to thrive and grow in a fast-paced world.



Robin Borrelli, Financial Services Practice Lead

Robin is a client partner with 20 years of experience in financial services, specialized in marketing, strategy, and digital platform and product management.



Young Pham, Chief Strategy Officer

At CI&T, Young helps our clients envision, build and launch new products, marketing programs and service experiences. He believes any problem is a catalyst to move forward through innovation.

THANK YOU

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